

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1366648-0

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PROGRAM

OCT 22 1971
Pol 4R-434R

FOR RM USE ONLY

A-1147

LIMITED OFFICIAL USE

NO.

TO : Department of State

INFO : LONDON, USNATO

FROM : AmEmbassy MOSCOW

SUBJECT : Soviet Reaction to British Expulsion

REF :

RS/AN
DATE: ANALYSIS BRANCH
October 13, 1971

At October 10 international affairs lecture in Leningrad, Novoye Vremya's D. Volskiy was forced to abandon plans to lecture on Latin America and answer dozens of questions on the "British affair." He and Novoye Vremya's Latin American expert doubted that the British would retaliate for Soviet expulsions of British Embassy staff or break diplomatic relations with the USSR since the Conservative government's action was already under fire at home and in Western Europe. According to Novoye Vremya's spokesmen, the entire British spy case was inspired by the US in the hope of sabotaging a European Security Conference (CES) and European detente.

The audience was emphatic that it wanted answers to questions on the British affair, causing the lecturers to abandon their plan to treat only the Middle East, Asia and Latin America. Some of the questioners wanted to know whether retaliation and counter-retaliation could not lead to a break in diplomatic relations and others asked if some of the charges against the Soviets were not true.

The lecturers admitted that the Soviets, "like all other states," do some espionage work abroad but scoffed at the scale on which the British claimed the work was being carried on in the UK. The audience gasped with surprise on learning that 105 Soviets were affected by the British move, and the lecturer pointed out that an "apparat" of this size would be senseless. He mentioned the Lyalin defection, describing him as a minor trade official. If the case had been serious, British counter-intelligence would never have published the list but would have kept those listed under discrete observation in hopes of catching the British who cooperated with them. At any rate, he claimed that the British SIS is incompetent as evidenced by the number of Soviet agents who have infiltrated top levels in the past.

FORM 4-62 DS-323

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☐ In ☐ Out

Drafted by: Leningrad [] bw 10/13/71

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OLEG A. LYALIN

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DOM INTELL DIV.

OCT 22 1971
Page 2
Moscow 1147

In discussing the possibility that retaliation and counter-retaliation could lead to a break in diplomatic relations, the lecturer noted that the British have traditionally avoided such action in the past and would not be likely to do so at present in view of the controversy stirred up by their initial expulsion in the UK and Europe. The Soviet side also has no interest, he said, in aggravating the situation in view of its hopes for European detente. This controversy is expected to die down soon, thus disappointing the US which intended to use its agent in Europe (UK) to sabotage detente.



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OCT 28 1971

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BEST COPY AVAILABLE

10/18/71

Transmit the following in _____

(Type in plaintext or code)

Via AIRTEL _____

(Priority)

TO: DIRECTOR, FBI (65-74220)

FROM: SAQ, BOSTON (65-5256) (RM)

SUBJECT: [REDACTED]

(OO:BS)

CLASS. BY 6-3

DATE OF REVIEW

OADR

11/24/81

ReBuairtel to Boston, 10/5/71; and BSnitel, 10/9/71.

Enclosed for the Bureau are ten copies of an LHM dated as above and captioned, [REDACTED] information copies of the LHM are designated for the NYO.

The confidential source whose identity is [REDACTED] enclosed LHM is the [REDACTED]

During the interview on 10/8/71, subject was advised that the FBI has no interest in the operations of Quincy Junior College.

At the conclusion of the interview of subject [REDACTED] during the afternoon of 10/8/71, both subject and wife expressed concern over subject's alien status in the U.S., particularly the possibility of deportation proceedings being instituted against subject by INS and the possibility of prosecutive action against subject by British authorities in the event that subject returns to London, England. [REDACTED] and wife were informed by the interviewing SAs that the [REDACTED] is in no position to comment concerning the above matters.

- 5 - Bureau (Encs. 10) (RM) (105-105-105) OLEG A. LYALIN
(2 - Legat, London)
2 - New York (info) (RM) (Encs. 2) (RM) (105-105-105) OLEG A. LYALIN
3 - Boston (1 - 105-19316) (OLEG A. LYALIN)

JEM:SS
(10)

ENCLOSURE

54 NOV 5 1971

1971

Agent in Charge

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Serial

Per

U.S. GOVERNMENT PRINTING OFFICE

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ORIGINAL FILED IN 65-74220-19

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could offer no assurances or guarantees with respect to situations that might arise as the result of subject's admission to cooperating with Soviet intelligence. Both subject and wife indicated that they clearly understood the Bureau's position in this matter as explained above by the interviewing SAs.

Absolutely no manifestation of duress or threats were made to subject by interviewing Agents to effect subject's admission. Although subject occasionally mentioned the possibility of his being deported from the U.S., such a situation was not used as a threat to induce subject to offer incriminating statements.

The possibility exists that subject, although professing to be completely truthful, was less than candid in discussing some phases of his involvement with the Soviets. Although subject was cooperative to a degree, he did not answer questions in a fully forthright manner unless pertinent questions were repeated several times by the interviewing SAs when subject's responses were considered to be inaccurate, (U) incomplete, or generally unsatisfactory. (S)

Subject was inclined to downgrade the importance and value of the Shell material he furnished to the Soviets. It is noted that according to the Soviet defector, OLGE A. LYALIN, subject furnished the Soviets confidential reports relating to Shell operations. However, subject stated that all the material he furnished to the Soviets was readily available to all employees of the Shell office and none of it was considered to be valuable or sensitive. He denied that he ever furnished the Soviets confidential Shell reports, stating that he had absolutely no access to this type of information. Also,

[redacted] however, LYALIN reported [redacted] from the subject. It is further noted that subject stated that he removed printed material from the Shell office by carrying the material in his hand and fully exposed. According to LYALIN, the material furnished by subject was normally collected by the Soviets on a Friday and returned to subject on a Saturday in order that subject could return the material to the Shell office the following Monday. This disclosure suggests a surreptitious technique on the part of the subject in the obtaining and delivery of Shell information to the Soviets.

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BS 65-5256

Another situation causing one to question subject's candor is his denial of cooperating with the Soviets for financial remuneration which, according to LYALIN, was the motivating factor which prompted subject to accommodate the Soviets.

In comparing information furnished by subject to the interviewing SAs with the information furnished by LYALIN it would appear that as mentioned above [redacted]

[redacted] "ALPH" is identical with LYALIN; [redacted] An attempt to resolve this matter will be made by requesting (see lead page of LHM) that photographs be obtained for examination by the subject for identification purposes.

The LHM is classified ~~CONFIDENTIAL~~ since it reflects the Bureau's investigative interests in the activities of official representatives of the Soviet government. The Bureau is requested to note that subject's letter dated 6/7/71 and addressed to [redacted] as referred to in the enclosed LHM was furnished [redacted] The Boston office notes that a copy of this letter as furnished to the Boston office by the Bureau bore no classification or instructions with respect to the handling of its contents if same were used in a communication prepared for dissemination. It is being left to the Bureau's discretion if such information furnished by [redacted] warrants a higher classification than ~~Confidential~~. (S) (U)

The Bureau may desire to furnish INS headquarters, Washington, D.C., a copy of the enclosed LHM in view of subject's alien status.

It is anticipated that [redacted] is planning to conduct in-depth interviews of LYALIN, some of which will relate to captioned matter. In this regard, the Boston Office will await the receipt of such information; and thereafter, the Boston Office will afford this case appropriate handling.

Also, upon the receipt of the photographs of the above three Soviets, the Boston Office will exhibit same to subject in order to effect a positive identification of the three Soviets with whom he had contact while in London, England.

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In Reply, Please Refer to
File No.

~~CONFIDENTIAL~~
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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Boston, Massachusetts
October 18, 1971

[Redacted]

Reference is made to memorandum dated October 1,
1971, at Boston, Massachusetts.

Recently, a confidential source abroad made

[Redacted]

The following sentence appears in the above
letter: [Redacted]

On October 8, 1971, [Redacted] was re-
contacted by Special Agents of the Federal Bureau of Investi-
gation (FBI), and the following information was obtained
during the interview at [Redacted]
[Redacted] Massachusetts:

CLASS. BY G-3

DATE OF REVIEW OADR

11/24/82

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~~CONFIDENTIAL~~

GROUP 1
Excluded from automatic
downgrading and
declassification

105-216643-
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FEDERAL BUREAU OF INVESTIGATION

1.

Date of transcription 10/14/71

[redacted]
[redacted] Massachusetts, was again questioned concerning his alleged involvement with Soviet intelligence, and he reiterated denials of ever having been knowingly in contact with a representative of the Soviet Union or a Communist-bloc country for any purpose whatsoever. [redacted] was initially questioned by Special Agents of the Federal Bureau of Investigation (FBI) on September 29, 1971, concerning an allegation that while an employee of Shell United Kingdom, a subsidiary of Shell International Oil Company, London, England, he cooperated with Soviet intelligence.

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Following the above denial [redacted] was questioned concerning [redacted] during June, 1971. [redacted] readily

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[redacted] recalled the use of the following phraseology [redacted]
[redacted] explained the use of the aforementioned phraseology as a written effort on his part in requesting [redacted]
[redacted] denied that such phraseology was intended to be cryptic or constituted a reference, either direct or indirect, to a Soviet national or Soviet nationals in London, England.

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Following the above explanation by [redacted] his wife burst into the room of their home where the interview was in progress and stated that a recontact of her husband by Special Agents of the FBI had caused her great concern and led her to the conclusion that this recontact was based on substantial and valid information linking her husband with Soviet intelligence. She recalled that subsequent to the questioning of her husband by the FBI on September 29, 1971, her husband informed her that the questioning was based on certain allegations that he had been involved with Soviet

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Interviewed on 10/8/71 at [redacted] Massachusetts # Boston 65-5256

by SA [redacted] -2-
SA JOHN E. MULVANEY JEM/EG Date dictated 10/13/71

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2.
BS 65-5256

intelligence while in London, whereupon he firmly denied to his wife that he had ever cooperated with the Soviets.

During the above interview on October 8, 1971, [] requested his wife to explain to the interviewing Special Agents the above phraseology utilized by him in his letter to [] whereupon she disclosed that she reviews all correspondence directed by her husband to and received from friends in London. [] further stated that the above phraseology conforms to her husband's normal writing style and the use of the word "friend" denotes all of their friends. [] expressed doubts about her husband's veracity in connection with his denial to her concerning the above matter. She became extremely emotional and somewhat hysterical while demanding her husband to fully cooperate with the FBI. However, her husband continued to insist that he never cooperated with Soviet intelligence, whereupon he, too, became emotional and uneasy. The interview was terminated at this point with an appeal being made to [] by the interviewing Special Agents that she immediately contact the FBI in the event her husband disclosed to her any association with Soviet nationals while in London. She indicated that she planned to have a "serious discussion" with her husband following the Special Agents' departure from her home and would urge her husband to cooperate with the FBI. She considered the possibility that if her husband refused to accede to her demands and fail to cooperate with the FBI, she would take steps to terminate their marital relationship. (U) (S)

[] indicated that she would fully cooperate with the FBI and would comply with the above request made by the interviewing Special Agents.

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FEDERAL BUREAU OF INVESTIGATION

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1.

Date of transcription 10/14/71

At approximately 1:30 PM on October 8, 1971, [] telephonically contacted Special Agent JOHN E. MULVANEY of the Boston Office of the Federal Bureau of Investigation (FBI) and requested that the Special Agents of the FBI return to his home where he was interviewed earlier that same date by the FBI. []

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At 2:15 PM, the interview of [] commenced at his residence. He indicated that he was already aware of the identity of Special Agent JOHN E. MULVANEY based on previous interviews. [] was furnished the identity of Special Agent [] the other Special Agent in attendance during this interview. [] indicated that he desired to make disclosures to the FBI concerning his past associations with Soviets while in London, England. At this point, [] was advised by Special Agent MULVANEY of his rights as contained in an executed "Interrogation: Advice of Rights" form. After reading and signing the above form, [] related the following: (U) (S)

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As a result of his wife's urging and the continued interest in him exhibited him by the FBI, he would now answer all questions truthfully and admitted that his earlier denials to the FBI concerning his alleged involvement with Soviet intelligence were lies.

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Interviewed on 10/8/71 [] Massachusetts File # Boston 65-5255

SA [] -4-
by SA JOHN E. MULVANEY JEM/eg Date dictated 10/13/71

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2.

BS 65-5256

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[redacted] as a white male, about 6 feet tall, approximately 40 years old, brown hair, fine facial features, neat appearance; and spoke with a slight Slavic accent. [redacted] stated that he was unable to recall any physical descriptive data concerning the above female other than her race (white).

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During the ensuing conversation, which was strictly innocuous and social in nature, [redacted] requested that [redacted]. However, [redacted] did question [redacted] concerning his employment at Shell United Kingdom, London, and his relatives. [redacted] was unmarried at this time.

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Approximately one month thereafter, while [redacted] was in a London underground (subway station) enroute home from work, [redacted] approached him and stated that he also was enroute home from work. After a brief conversation, [redacted] suggested that they meet again, to which [redacted] agreed. (S)

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Approximately three weeks later at a prearranged meeting in a West End pub in London, [redacted] had in his possession a Shell company newspaper, which reported news concerning company operations and company events of interest to and distributed to Shell employees. [redacted] read this newspaper and seemed to display an interest in it. Following a few drinks and social conversation, [redacted] requested that [redacted] furnish him his home phone number. [redacted] complied with this request; and when he asked [redacted] for his phone number, [redacted] declined this request by stating that it would serve no useful purpose since he was rarely available at his home or office phone numbers.

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Approximately a month thereafter while at his residence, [redacted] received a phone call from [redacted] and a meeting was arranged for a day approximately two weeks later at another London pub. A total of approximately six meetings with [redacted] took place; and according to [redacted] all the meetings were the purely social type. [redacted] asserted that [redacted] made no offers to or requests of him.

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During one of the above meetings, [redacted] informed [redacted] that he was being "transferred overseas" and desired to introduce [redacted] to a "friend from the same country" who subsequently was identified as "ALEX" (last name unknown), also a member of the Russian Trade Delegation.

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[] described "ALEX" as a white male, approximately 32 years old, European features, medium build, congenial and spoke English fluently. [] indicated that he would possibly return to London at a future date.

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[] went on to relate the following:

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Subsequently, "ALEX" requested him to obtain all available type of information at Shell United Kingdom in London. Since [] considered "ALEX" to be a friend and because of "ALEX's" engaging and persuasive personality, [] complied with this request. The information furnished to "ALEX" consisted of printed material published by the Shell Oil Company. The furnished material included various Shell pamphlets and newsletters relating to the petroleum industry that [] had brought to his home from the Shell office over a period of several months.

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[] described the material as relating to Shell operations throughout the world and was made available to all Shell employees by the company for the purpose of acquainting Shell employees with Shell operations in the hope that such information would create a sense of interest, pride, and improve morale among the employees. [] asserted that none of this information was of a confidential nature and in this regard [] explained that under no conditions did he ever have access to confidential information in the Shell office nor would he have been able to remove such information from the office without detection. (U) (S)

Some of the information furnished to "ALEX" was removed from the Shell office by [] and consisted of financial reports and outdated technical data sheets, all of which were located at various points in the Shell office and readily available to all office employees.

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In return for his services, "ALEX" offered [] money, which [] always refused; however, "ALEX" would stuff envelopes containing money in [] pockets and then leave [] presence.

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At subsequent meetings, "ALEX" would request [] to sign a receipt for such payments, since "ALEX" considered such expenditures to be business expenses; and in order to be reimbursed by his company, [] signature was necessary.

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When signing the above receipts, [redacted] acting on the instructions of "ALEX", [redacted] and "ALEX" explained that this procedure was important and necessary since it would "avoid problems." The receipts consisted of blank pieces of paper which "ALEX" said he would "fill in later."

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After approximately six meetings with "ALEX", [redacted] was informed by "ALEX" that [redacted] and introduced [redacted] at a prearranged site near a ticket office in a London underground.

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"ALEX" explained to [redacted] was a "friend from my country," who had recently arrived in London and was totally unfamiliar with that city. "ALEX" requested [redacted] and recommend to him and accompany [redacted] to the fine pubs and restaurants in London.

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[redacted] as a white male, middle-aged individual who spoke English poorly and who "did some chemical work." The requests of [redacted] were for "most important" and "special" information concerning Shell developments, new experiments, and processes. [redacted] also requested [redacted] verbal description of the physical layout of the Shell office where [redacted] worked, as well as the names of known Shell employees. [redacted] stated that he refused to comply with the latter request; however he did discuss with [redacted] in general terms the physical layout of the above office. [redacted] also stated that he did furnish [redacted] some routine printed material from the Shell office and received payments in return.

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When [redacted] was unable to fulfill [redacted] request for "special" material since [redacted] had no access to same, [redacted] failed to appear at scheduled meetings with [redacted] and subsequently during September, 1970, [redacted] departed London, England, with his wife enroute to the United States. [redacted] did not notify [redacted] of his travel plans.

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On one occasion, [redacted] informed [redacted] that he had learned of [redacted] in order to "avoid problems." [redacted] further stated as follows:

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BS 65-5256

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He never furnished the above three Soviets any classified or sensitive Shell material or information and added that all the information furnished to the Soviets was the type that was readily available to other Shell employees.

On occasions [redacted] would furnish the Soviets certain printed material and at a later date, the Soviets would return the material with the suggestion that [redacted] return the material to the Shell office since the information seemed to be "important." [redacted] complied with these instructions. However, there was no absolute necessity to return the material to the Shell office since the material in question was not important, and thus its absence from the office would not be noted by Shell officials. (U) ~~(S)~~

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[redacted] denied ever taking material from the Shell office in a furtive manner and always held the material to be delivered to the Soviets in his hand where it was fully exposed when leaving the Shell office.

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[redacted] also recalled hearing at one time a reference to the name "Stanley Research Center" at the Shell office; however, he denied knowledge of its location and operations.

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[redacted] also denied a quest for money was the motivating factor in cooperating with the Soviets. He explained that such cooperation was based on his friendship with the Soviets and in particular his fondness for "ALEX".

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[redacted] attributed his termination of the relationship with the Soviets to his inability to obtain information requested by [redacted]

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b7C

[redacted] stated that his departure from London completely severed his relationship with the Soviets.

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b7C

[redacted] estimated that he received payments from the Soviets on approximately five or six occasions, the total amount estimated to be approximately 100 to 115 pounds.

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[redacted] emphasized that he has never been contacted while in the United States by any Soviet national or any individual in connection with an intelligence matter.

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-8-
~~SECRET~~

6.
BS 65-5256

~~SECRET~~

[redacted] attributed his lying to Special Agents of the FBI on September 29, 1971, to his fear that an admission to involvement with Soviet intelligence would jeopardize his future, particularly with respect to his alien status in the United States. He considered the possibility of United States Immigration and Naturalization Service initiating deportation proceedings against him if he confessed to the above involvement.

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[redacted] expressed his belief that no criminal acts were committed by him in London in dealing with the Soviets since the passed information was not classified, sensitive, or jeopardized the security of Britain, although he considered such cooperation with the Soviets as a "mistake."

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[redacted] stated that his "hazy recollection" rendered him unable to furnish more detailed information concerning his contacts with the Soviets.

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[redacted] also informed that he is known to his close friends and was also known to the Soviets as [redacted]
[redacted]

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~~(S)~~ (U)

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~~SECRET~~

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[redacted] volunteered the following information on October 8, 1971:

Following the interview of her husband by the FBI on September 29, 1971, she assisted her husband in the preparation of a letter to [redacted] notifying him of the FBI contact on the above date and the basis for the contact. She and her husband desired to know if [redacted] was aware of the FBI's interest in [redacted] and also in him [redacted]. The letter requested [redacted] to inform the [redacted] concerning possible developments in London relating to the above matter, since they, the [redacted] were unable to understand or explain the basis for the FBI's interest in [redacted] since, according to [redacted] she, at the time that the letter was prepared, felt certain and was assured by her husband that he had never engaged in activity in London that would attract the investigative interest of the British authorities or the FBI.

[redacted] also advised on October 8, 1971, [redacted] Pfaelzer Trust Company, 294 Washington Street, Boston, Massachusetts.

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~~SECRET~~

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LEADS:

Will attempt to obtain a photograph of each of the following Soviet nationals in order that these photos may be displayed to [redacted] in an effort to positively identify [redacted]
"Alex", [redacted]

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[redacted]
Oleg A. Lyalin
[redacted]

~~(S)~~ (U)

-11*-

~~SECRET~~

42 Soviet Agents Reported Exposed In Spying on NATO

Special to The New York Times

BRUSSELS, Oct. 16—Belgian press reports said today that Anatoly Tchibotarev, a 38-year-old member of the Soviet trade mission here who disappeared from his home two weeks ago, had exposed a Soviet spy network that had been eavesdropping on telephone conversations at headquarters of the North Atlantic Treaty organization here and at Supreme Headquarters Allied Powers Europe in nearby Mons.

Forty-two Soviet agents, members of the K.G.B. or its military equivalent, the G.R.U., are reported to have been made known to United States intelligence officials.

Belgian Government sources refused to comment on the reports.

The Soviet spies are alleged to have smuggled phone-tapping equipment into the country in diplomatic bags. Some reports say that the spy ring spreads beyond Belgium and into West Germany and the Netherlands.

According to reports, Mr. Tchibotarev has gone into hiding with United States intelligence officials in Western Europe.

There was speculation that he had fled to Britain earlier this month when his car was found near the port of Zeebrugge, from which boats run to Britain. It is believed this was a ruse intended to mislead Soviet agents.

No one was available at the Soviet Embassy here tonight for comment.

Britain Drops Charges

LONDON, Oct. 16—Fears that attempts might be made to kill or kidnap Oleg Lyalin, the Soviet K.G.B. defector to Britain, led to the dropping of drunken driving charges against him, the Attorney General's office said today.

"It was decided that the greater national interest would be served if the charges were withdrawn," said T.C. Hetherington, legal secretary to the Attorney General, Sir Peter Rawlingson.

The defector should have appeared in court last Thursday to face the driving charges. The case was held over after the Government had named him as the K.G.B. agent whose information confirmed it in the intention to bar 105 Soviet officials.

Tolson _____
Sullivan _____
Mohr _____
Bishop _____
Brennan, C.D. _____
Callahan _____
Casper _____
Conrad _____
Dalbey _____
Felt _____
Gale _____
Rosen _____
Tavel _____
Walters _____
Soyars _____
Beaver _____
Tele. Room _____
Holmes _____
Gandy _____

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Bratigay

AM

Boopchick

The Washington Post
Times Herald _____
The Washington Daily News _____
The Evening Star (Washington) _____
The Sunday Star (Washington) _____
Daily News (New York) _____
Sunday News (New York) _____
New York Post _____
The New York Times 17
The Daily World _____
The New Leader _____
The Wall Street Journal _____
The National Observer _____
People's World _____

Date 11 17 71

ST-102

REC-40

105-11112-A

NOT RECORDED
OCT 22 1971

FIT
55 NOV 2 1971

FD-5
Revised
08/05/2008

FEDERAL BUREAU OF INVESTIGATION
SERIAL CHARGE-OUT

* This form is consolidated with the old FD-654, based on a Sentinel review.

Date 2/3/15

Document Classification: ☐ Unclass ☐ Confidential ☐ Secret ☐ Top Secret

Document Type: ☒ Letter ☐ Airtel ☐ LHM ☒ Memo ☐ Report
☐ Facsimile ☐ Teletype ☐ Misc ☐ EC ☐ Email
Enclosure _____ Attachment _____

SCI TYPE: *requires special handling

☐ SI* ☐ TK* ☐ GAMMA* ☐ COSMIC(NATO)
☐ HCS* ☐ SSRP* ☐ BYE* ☒ Other possible RD (specify)

FD-501 Number _____

Date of Mail Oct 20, 1971 (stamped 10-22-71)

Originating Office or agency FBI

This serial has been removed and placed in:

☐ Special File Room, FBIHQ ☐ FBIHQ, Room _____

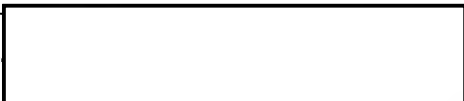
☒ ICRC SCIF (Winchester, VA)
Field Office-Room # Container # or Other Location Where Material Is Stored

File 105 HQ 216642 42
Class. Office of Origin Case No. Last Serial

☐ Pending ☒ Closed

| Serial No. | Description of Serial | Date Charged |
|------------|--|---------------|
| <u>19</u> | <u>Letter from W.A. Branigan to E.S. Miller</u> | <u>2/3/15</u> |
| | <u>regarding Oleg A. Lyalin</u> | |
| | <u>Regarding OGA letter dated Oct 19, 1971 (serial 21)</u> | |

Employee



RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

SERIAL CHARGE-OUT

b6
b7C

FD-5
Revised
08/05/2008

FEDERAL BUREAU OF INVESTIGATION SERIAL CHARGE-OUT

* This form is consolidated with the old FD-654, based on a Sentinel review.

Date 02/03/2015

Document Classification: ☐ Unclass ☒ Confidential (U) ☐ Secret ☐ Top Secret

Document Type: ☒ Letter ☐ Airtel ☐ LHM ☐ Memo ☐ Report
☐ Facsimile ☐ Teletype ☐ Misc ☐ EC ☐ Email
Enclosure _____ Attachment _____

SCI TYPE: *requires special handling

☐ SI* ☐ TK* ☐ GAMMA* ☐ COSMIC(NATO)
☐ HCS* ☐ SSRP* ☐ BYE* ☒ Other RD - Atomic Energy (specify)

FD-501 Number _____

Date of Mail 10/19/1971 (stamped Oct 26, 1971)

Originating Office or agency U.S. Atomic Energy Commission

This serial has been removed and placed in:

☐ Special File Room, FBIHQ ☐ FBIHQ, Room _____

☒ TCRC SCIF (Winchester, VA)
Field Office-Room # Container # or Other Location Where Material Is Stored

File 105 HQ 216642 serial 21 42
Class. Office of Origin Case No. Last Serial

☐ Pending ☒ Closed

Serial No.

Description of Serial

Date Charged

encl. 21
and
21

US Atomic Energy Commission stamped RD / Conf
Letter to Director Hoover from
William T. Riley, Director (Division of Security)
dated Oct 19, 1971

2/3/15

Employee _____

RECHARGE

Date _____

To _____

From _____

Initials of
Clerk

SERIAL CHARGE-OUT

b6
b7C

ROUTE IN ENVELOPE

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. E. S. Miller

1 - Mr. A. Rosen
1 - Mr. E.S. Miller

FROM : W. A. Branigan

DATE: October 21, 1971

1 - Mr. W.A. Branigan
1 - Mr. J.P. Lee

SUBJECT: OLEG A. LYALIN
INTERNAL SECURITY - RUSSIA

Tolson _____
Felt _____
Rosen _____
Mohr _____
Casper _____
Callahan _____
Conrad _____
Dalbey _____
Cleveland _____
Ponder _____
Bates _____
Tavel _____
Walters _____
Soyars _____
Tele. Room _____
Holmes _____
Gandy _____

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Memorandum reports information from [] concerning the background of the recent expulsion of 105 Soviets from England and a plan prepared by Oleg Lyalin, KGB defector, for seaborne landing of sabotage forces in England and the existence of a similar plan for a landing in the U. S. Same information has been furnished []

Lyalin is a KGB officer who defected in England 9/3/71. On 9/24/71 the British declared 90 Soviets in England persona non grata and cancelled the re-entry visas of 15 more Soviets who were not in England. By letter of 10/18/71 [] furnished the identities of the individuals expelled and noted these names have not been made public in England.

By way of background [] points out it had noted a steady increase of Soviets in England and that the number of intelligence officers was far in excess of the number which the resources of [] permitted it to investigate. [] noted that as of 9/17/71 there were 782 Soviets in England, which included working and non-working wives. More significantly, the identified intelligence personnel rose from 15 in 1950 to 120 in 1970. To counteract the increased number of Soviet officials at the Soviet Embassy in England the British in 1968 froze the number at 148. After this, the Russians increased the number of working wives as well as the numbers in other organizations, such as Aeroflot, Moscow Narodny Bank and others.

[] reports that early in 1971 the Foreign and Commonwealth Office in close consultation with [] drew up plans to deal with the situation and the Prime Minister approved this plan in early 8/71. The purpose of the plan was twofold. First, reduce the number of Soviet officials in England and (2) cause as much disruption as possible at the KGB Legal Residencies in the hope that this would furnish additional investigative leads. The British noted that a consequence of this operation will probably be an increased Russian effort on the illegal front; however, it is felt that this cannot be rapidly achieved and that the disruptions of the Legal Residencies would be to its ultimate advantage. The main list of persons

105-216642
JPL:tdp (5)

CONTINUED - OVER

54 NOV 8 1971

COPY SENT TO, MR. TOLSON

Memorandum to Mr. E.S. Miller
RE: OLEG A. LYALIN
105-216642

expelled includes nearly all known and suspected KGB and GRU (Soviet Military Intelligence) officers and co-opted workers in the United Kingdom, excluding those falling into certain categories in order to avoid the expulsion of the corresponding personnel in the British Embassy in Moscow.

[] also furnished a detailed plan worked out by Lyalin for a Seaborne landing on the East Coast of England for sabotage purposes. The plan is worked out in complete detail, including photographs, weather conditions, water temperature, Russian terrain notes, and all other considerations necessary for such a landing. Lyalin reported that his []

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[] KGB Headquarters, told him a similar plan for a seaborne landing by a similar group in the U. S. was worked out for somewhere on the California coast. No plans for parachuting a group into the U. S. existed; however, a site in Canada close to the U. S. border was selected to make the crossing from Canada into the U. S. more simple. [] advised that if Lyalin furnished more information on this, it would be promptly given to us. of Soviets

ACTION:

This matter is being closely followed with the [] representative in Washington to make certain we receive all pertinent information promptly.

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~~SECRET~~

FBI

Date: 11/19/71

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (65-74228)
FROM: SAC, BOSTON (65-5256) (P)
SUBJECT: [REDACTED]
(OO: BOSTON)

CLASS. BY G-3

DATE OF REVIEW 11/24/82

Re Boston airtels and their enclosed LHM's dated 10/1/71, 10/18/71; New York airtel dated 10/14/71; and Bureau routing slip, 11/10/71 enclosing a copy of [REDACTED] communication dated 10/22/71.

Enclosed for the Bureau are 10 copies of an LHM dated as above and captioned [REDACTED]. Six information copies and a single information copy are being designated for the New York Office and WFO, respectively.

The Boston Office continues to feel that the subject is less than completely truthful in his statements to Special Agents. He refuses to volunteer any information of an incriminating nature and his statements tend to minimize the serious nature of his involvement with Soviet intelligence. For example,

- 5 - Bureau (Encs. 10) (RM)
1 - 105- [REDACTED] (CLEG A. LYALIN)
6 - New York (Encs. 6; 65-25699) (Info.) (RM)
1 - [REDACTED]
1 - 105-115626 (LYALIN)
1 - [REDACTED]
1 - 65-19919 (ILLEGAL SUPPORT SECTION)
1 - [REDACTED]
1 - WFO (Enc. 1) (Info.) (RM)
3 - Boston
1 - 105-19316 (LYALIN)
JEM/dml
(15)

NOT RECORDED
1 1/2 DEC 10 1971

~~SECRET~~

ENCLOSURE

Approved: [Signature]
Special Agent in Charge

Sent _____ M Per _____

~~SECRET~~

BS 65-5256

he continues to deny that financial remuneration was the motivating factor behind his extensive contacts with Soviet intelligence officers. It is noted that admissions by subject to date linking him with Soviet intelligence have resulted from repeated and intensive interrogation. The Boston Office is of the opinion that through reinterviews of subject he will furnish a complete and factual account of his involvement with the Soviets.

At the conclusion of the interview of subject on November 18, 1971, it was impressed upon him that the interviewing Special Agents were not convinced that he was completely candid during the interview, and he was informed that the FBI's interest in him would continue until the FBI was satisfied that he had made a full disclosure of his involvement with Soviet intelligence.

[] was not subjected to duress nor were any threats made by Special Agents during the interview. Subject continued to express fear that the U.S. Government's interest in him will lead to his deportation; however, such a situation was not used as a threat to induce cooperation on the part of the subject.

It is anticipated that future information as received by [] will necessitate the need of a reinterview of subject. Specifically, the Boston Office will display, when received, photographs of [] OLEG A. LYALIN [] to subject. A request was made in referenced LHM dated 10/18/71 that Legat London obtain the aforementioned photographs.

- 2 -

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~~SECRET~~

BS 65-5256

The Bureau may desire to furnish Immigration and Naturalization Service (INS) Headquarters a copy of the enclosed LHM in view of subject's alien status in the United States.

The enclosed LHM is classified "~~Confidential~~" since it reflects the Bureau's interest in the activities of official representatives of the Soviet government.

The Bureau is requested to furnish Legat, London appropriate copies of the enclosed LHM.

- 3 -

~~SECRET~~

~~RET~~

~~CONFIDENTIAL~~



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Boston, Massachusetts

In Reply, Please Refer to
File No.

November 19, 1971



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Reference is made to memoranda dated October 1, 1971
and October 18, 1971 at Boston, Massachusetts.

CLASS. BY G-3
DATE OF REVIEW OADR
11/24/82

(U) ~~(S)~~

~~CONFIDENTIAL~~

~~SECRET~~

GROUP 1
Excluded from automatic
downgrading and
declassification

ENCLOSURE

105-216642-

~~SECRET~~ ~~CONFIDENTIAL~~

FEDERAL BUREAU OF INVESTIGATION

11/19/71

Date of transcription

1.

At 4:55 P.M. on November 17, 1971, [redacted] telephonically contacted Special Agent JOHN E. MULVANEY at the Boston Office of the Federal Bureau of Investigation (FBI) and stated that he desired to visit the above office to "clear up a puzzling matter". Arrangements were then made for [redacted] to be interviewed by Special Agents of the FBI during the afternoon of November 18, 1971.

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b7C(U) ~~EX~~

11/17/71

Boston, Massachusetts

BS 65-5256

Interviewed on _____ at _____ File # _____

SA JOHN E. MULVANEY/dml

~~SECRET~~

11/19/71

by _____ Date dictated _____

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~FEDERAL BUREAU OF INVESTIGATION
~~SECRET~~

11/19/71

Date of transcription

1.

[redacted]
[redacted] Massachusetts, visited the Boston Office of the Federal Bureau of Investigation (FBI) during the afternoon of November 18, 1971.

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He stated that since he established residence in the United States during September of 1970, he and his wife have regularly corresponded with his parents who reside in London, England. [redacted] stated further that since late September, 1971, he and his wife have sent five letters to his parents; however, in a recent letter his father informed him that no correspondence has been received from him. [redacted] subsequent to late September, 1971. [redacted] recalled that he was initially contacted by the FBI on September 29, 1971 and considered the possibility that the failure of his letters to reach their destination is related to the FBI having an investigative interest in him.

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(U) ~~(S)~~
[redacted] emphasized that he did not wish to accuse the FBI of intercepting the above correspondence or acting in concert with a [redacted] in effecting an interception of his correspondence directed to his parents. [redacted] indicated he merely was seeking an explanation to this "mystery". At this point the interviewing Special Agents informed [redacted] that they were in a position to state unequivocally and categorically that the FBI, either directly or indirectly, engaged in no effort to intercept correspondence reportedly forwarded by [redacted] to his parents. [redacted] stated that he would accept this denial. It was further explained to [redacted] that beyond this denial the FBI would make no comment concerning a possible explanation as to the failure of the correspondence in question to reach his parents.

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Following the above discussion [redacted] expressed a willingness to answer questions relative to information furnished by him to the FBI on October 8, 1971, although, as [redacted] pointed out, he possesses no addi-

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Interviewed on 11/18/71 at Boston, Massachusetts File # BS 65-5256
by SAs [redacted]
JOHN E. MULVANEY JEM/dml 11/19/71
Date dictated

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~~CONFIDENTIAL~~

~~SECRET~~

BS 65-5256

2.

tional information of pertinence. At this point [redacted] was advised by Special Agent JOHN E. MULVANEY of his rights in an executed Voluntary Appearance; Advice of Rights form. After reading and signing this form, [redacted] made the following statements:

Neither the Thornton Research Center nor the name Stanlow Research Center is known to him.

[redacted] asserted that he was not dispatched to the United States by the Soviets.

[redacted] reiterated his previous denial that he ever had access to or passed to the Soviets Shell Company information bearing a Shell "confidential" classification.

[redacted] again denied that his cooperation with the Soviets was motivated by financial gain.

[redacted] did state that he suddenly, during this interview, recalled that one of the Soviets, probably [redacted] with whom he was in contact, cautioned him not to disclose his association with the Soviets to anybody since the mere mention of a relationship with a Soviet could cause one to become "unnecessarily suspicious".

Concerning a statement made to the FBI on October 8, 1971 to the effect that he, [redacted] failed to appear at scheduled meetings with [redacted] since he was unable to fulfill [redacted] request for "special" type of information, [redacted] explained that during a meeting [redacted] asked him questions about this desired material; however, the material was totally unfamiliar to [redacted]. This fact, together with [redacted]

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~~CONFIDENTIAL~~

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BS 65-5256

3.

unusual interest in the desired material led [redacted] to believe that the material was "special" in nature. [redacted] recalled that after he informed [redacted] that he was not familiar with such material and expressed doubt that he could obtain the material, [redacted] instructed him to "try anyway". [redacted] then wrote on a piece of paper the titles of approximately five or six technical publications that he desired [redacted] to obtain. When [redacted] returned home that evening, he destroyed this list since he was certain that he would be unable to obtain such information at the Shell Office or elsewhere. [redacted] indicated that after careful reflection on the matter he was unable to recall anything of a descriptive nature concerning the above material requested by [redacted]

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[redacted] was then repeatedly questioned concerning the possibility of his having access to confidential Shell reports and again he vehemently denied the accessibility of such reports. Again [redacted] was informed by the interviewing Special Agents that it had been alleged that he furnished the Soviets Shell reports containing a "confidential" classification. Following this re-statement of the allegation [redacted] displayed an impassive and subdued appearance and remained silent for a few moments. He then admitted that confidential Shell reports did in fact exist in the Shell Office and were accessible to him.

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[redacted] considered the possibility that in searching for material in the Shell Office in which he believed the Soviets would have an interest, he selected a confidential report or reports. [redacted] denied ever knowingly furnishing the Soviets a Shell document bearing a "confidential" classification, but acknowledged the possibility that material furnished to the Soviets by him bore a Shell "confidential" classification.

~~CONFIDENTIAL~~

~~SECRET~~

~~CONFIDENTIAL~~

~~SECRET~~

BS 65-5256

4.

concluded the interview by stating that with the above admission he has now truthfully and completely related to the FBI the details surrounding his involvement with Soviet intelligence.

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~~(S)~~ (U)

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~~SECRET~~

~~CONFIDENTIAL~~

F B I

Date: 12/17/71

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

TO : DIRECTOR, FBI (105-216642)
(ATT: DOMESTIC INTELLIGENCE DIVISION)

FROM : ~~NEW YORK~~ (105-115626)

SUBJECT: OLEG A. LYALIN
ESP - R

ReBulet 12/10/71.

Enclosed herewith are 634 photographs of Soviet
officials in NY as set forth in enclosed "print out" furnished
by the Bureau with relet.

The above are being furnished in accordance with
instructions in relet.

2 - Bureau (Encl. 635) (RM)
1 - New York

JB:mbg
(1)

ENC. BEHIND FILE

REC-32

ST-103

5 DEC 20 1971

ESPIONAGE

Special Agent in Charge

Sent _____ M Per _____

RA
FBI

Date: 12/13/71

Transmit the following in _____
(Type in plaintext or code)

AIRTEL

Via _____
(Priority)

TO: DIRECTOR, FBI (105-216642)

FROM: SAC, WFO (105-106153) (RUC)

OLEG A. LYALIN
ESP - R

ReBuairtel, 12/10/71, requesting photographs of
all Soviet officials currently assigned in Washington, D.C.


Enclosed for the Bureau are 258 photographs of
officials and employees assigned to the Soviet Embassy, Washing-
ton, D.C. In addition, six photographs of Soviet officials
assigned at the Soviet Consulate, San Francisco, are also
enclosed.

Photographs of the following new arrivals at the
Soviet Embassy are included although they have not as yet been
processed by the Voucher Statistical Section:



105-216642 32

DEC 23 1971

 is currently in the USSR; however,
he is expected to return and his photograph is included.

2-Bureau (Enc. 264)
1-WFO

WTC:dan
(3)

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

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b7C

EXEMPTED FROM AUTOMATIC
DECLASSIFICATION
AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE: 50X(1)
DATE 06-22-2015
C32W33B91

January 5, 1972

16396

RE: CURRENT U.S. TARGETS
OF DEPARTMENT "V" OF THE
COMMITTEE FOR STATE
SECURITY (KGB)

Reference is made to your inquiry concerning captioned matter on January 3, 1972.

[redacted] We have developed considerable information concerning Department "V" targets in the U.S. For example, in one of the cases on which Oleg Lyalin furnished some information [redacted]

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(5)

RECORDED COPY FILED IN 65

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1 - Legat, London }
105-216642

SEE NOTE FOR LEGAT, LONDON, PAGE TWO

1 - Special Coordination Unit SEE NOTE PAGE TWO

(Route thru for review)

Delivered to Washington Representative of on 1-6-72
by al

JEN:cgc
(8)

~~SECRET~~ (U)

EX-104 REC-6

105-211642-

ET JAN 10 1972

58 JAN 13 1972

~~SECRET~~ (U)

RE: CURRENT U.S. TARGETS
OF DEPARTMENT "V" OF THE
COMMITTEE FOR STATE
SECURITY (KGB)

b1
b3

(S)

It is clear from the above that Line "V" targets in the U.S. are often clearly related to a definition of Soviet sabotage targets and that such targets are not currently restricted to U.S. nuclear facilities.

NOTE FOR LEGAT, LONDON:

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Memorandum was prepared for [] representative, Washington, D. C., in response to his request for assistance in confirming data furnished to [] by Oleg Lyalin.

NOTE:

(S)

Classified "~~Secret~~" as it reports information

[] the unauthorized disclosure of which would cause serious damage to the defense interests of the U.S.

b1
b3

Oleg Lyalin was an officer of Department "V" who defected in Great Britain in the fall of 1971. He furnished to [] a partial description

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(S)

[] This information is being reported here []

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(S)

~~SECRET~~ (U)

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI

DATE: 1/4/72

FROM : *JF* Legat, London (65-1436) (P)

SUBJECT: *st* OLEG A. LYALIN
IS - R

Enclosed for information are two copies of
memorandum classified ~~SECRET~~ prepared by [redacted]
[redacted] concerning [redacted]

LYALIN

Results of court proceedings have been furnished
the Bureau.

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id
3 - Bureau (Encls. 2)
1 - Foreign Liaison Desk
1 - London
ACM:cm
(5)

ENCLOSURE

REC-10

105-3166-35
JAN 11 1972

ESPIONAGE



204
JAN 20 1972

Savings Bonds Regularly on the Payroll Savings Plan

SUBJECT: OLEG LYALIN
CHARACTER: IS - R
BUFILE: 105-216642
NYFILE: 105-115626
WFOFILE:

719 let
OCT 15 1971

IN VIEW OF THE SENSITIVITY OF [REDACTED]
EXTREME CAUTION MUST BE EXERCISED IN THE HANDLING OF ANY
INFORMATION ATTRIBUTED TO THIS SOURCE AND NO ACTION TAKEN
WHICH COULD CONCEIVABLY JEOPARDIZE THE SECURITY OF THIS
SOURCE OF INFORMATION.

IN COMMUNICATIONS PREPARED FOR DISSEMINATION
OUTSIDE THE BUREAU, [REDACTED] SHOULD BE CHARACTERIZED
AS "A SOURCE WHO HAS FURNISHED RELIABLE INFORMATION IN THE
PAST." IT SHOULD THEREAFTER STATE THAT THIS INFORMATION WAS
RECENTLY RECEIVED FROM THIS SOURCE AND NO DATE SHOULD BE
SET FORTH IN THE DISSEMINATION.

CLASSIFICATION:

~~"TOP SECRET"~~
GROUP I

The Bureau advised on 9/28/71 of the receipt
of the following information from [REDACTED]

New York

- 1 - [REDACTED]
1 - [REDACTED]
1 - 65-14635 Sub D (SECURITY
PRECAUTIONS)
1 - New York

Bureau

- 2 - 105-131411
2 - 105-186630
2 - 65-57773
(2) - 105-216642

DOWNGRADED TO

~~SECRET~~

Per
Date

ADG/JAN 14 1982
4/4/2014

105-216642 -
NOT RECORDED
170 OCT 26 1971

57 NOV 1 1971

NY 105-115626

Since the defection of OLEG LYALIN, there has been one noticeable innovation concerning the security measures within the KGB NY Residency. [redacted]

[redacted] has engaged in personal conversations with all the KGB officers. [redacted] has indicated that the purpose of these conversations will be to request each officer to bring to his [redacted] attention any suspicions which he might have about a fellow KGB officer. [redacted] has indicated that he desires this information to be furnished him personally and in secret, irrespective of the officer's KGB rank. This procedure, quite normally, has caused a great amount of apprehension among the KGB officer personnel.

[redacted] has not seen fit to insist that all KGB officers leave a telephone signal number in the KGB Radio Room in connection with their meetings with American sources and agents. However, it is felt that [redacted] in the very near future will probably insist that this technique be adhered to. With reference to the KGB Radio Room, there is no prohibition at the present time against entering this area.

On 9/28/71, [redacted] mentioned the possibility of the KGB establishing a special "service" within the Residency, which would analyze the activities, behavior pattern, etc., of Soviet personnel in order to present a potential defection. [redacted] stated that it was his opinion that KGB Headquarters will initiate this "service" within the NY Residency in the future but added that the implementation of this procedure will necessarily take time.

The source advised that [redacted] appears to be extremely busy of late, both in reading and dispatching communications to Moscow in answer to personal communications received on a constant basis from Moscow. It is felt that the majority of these communications relate to the LYALIN defection and its effect upon the personnel within the NY Residency.

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SECRET (U)

EXEMPTED FROM AUTOMATIC
DECLASSIFICATION
AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE: 50X(1)
DATE 06-22-2015
C32W33B91

UNITED STATES GOVERNMENT

Memorandum

TO : ACTING DIRECTOR, FBI (105-40818) DATE: 8/2/72

FROM : SAC, NEW YORK (105-14931) (C)

SUBJECT: [REDACTED]

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Enclosed for the Bureau are two photographs of subject and six copies of an LHM captioned [REDACTED] "GOLDFINCH." An information copy of this letter with LHM is being provided San Francisco for their information. Enclosed LHM is classified "~~Secret~~" since it makes reference to the British "GOLDFINCH" source, information from whom has been similarly classified by British authorities.

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For information of the Bureau, subject permanently departed the United States on 7/16/68. Prior to that time, and during his tenure in New York, [REDACTED] Soviet Mission to the United Nations (SMUN), [REDACTED]

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[REDACTED] KGB. Coverage of subject during his tour of duty in New York disclosed that he was a KGB [REDACTED]

[REDACTED] KGB.

Recent information from [REDACTED] has indicated the strong possibility that subject may again be dispatched to this country. [REDACTED]

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OLEG A. LYALIN, the recently defected KGB officer who defected while assigned to the London Residency. It is noted that LYALIN allegedly served in Line "S" during a portion of the period of 1960-1969, during which time he probably would have known subject.

NOT RECORDED

28 AUG 7 1972

ENCLOSURE

6 - Bureau (Encls. 8) (RM)

(1 - 105-210032) (SOVIET CONSUL GENERAL-SAN FRANCISCO)

(1 - 105-216642) (LYALIN)

1 - San Francisco (105-16284) (SOVIET CONSUL GENERAL-SAN FRANCISCO) (Encl. 1) (INFO) (RM)

1 - New York (105-115626) (LYALIN)

1 - New York (105-112777) (SOVIET CONSUL GENERAL-SAN FRANCISCO)

1 - New York

JLP:car

58 AUG 15 1972



5010-100

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

SECRET (U)

ORIGINAL FILED IN 105-14931-10

NY 105-14931

Further, during September, 1961 [redacted]

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b3

(S)

A review of the New York file concerning [redacted] indicates that OLEG LYALIN has not been queried concerning [redacted] to confirm whether or not he knows subject to be a KGB Officer.

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In view of subject's effectiveness as an intelligence operative within the United States, the Bureau may wish to bring this matter to the attention of the proper authorities within the Department of State in order that any future application for a visa by [redacted] be denied.

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In the event that the Bureau feels such a course of action is desirable, it is felt that any knowledge of subject by LYALIN should be documented. Accordingly, two extra copies of this letter are being furnished the Bureau, which, along with enclosures could be furnished Legat, London, in order that British authorities can question LYALIN concerning subject.

The NYO feels that from its experience with [redacted] preventing him from entering this country would be in the best interests of the Bureau, and would probably result in some consternation for the KGB. Such action would be akin to the action proposed against [redacted]

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Inasmuch as there is no active investigation to be conducted in this matter, the NYO is retaining this case in a closed status.

IN VIEW OF THE SENSITIVITY OF [redacted] EXTREME CAUTION MUST BE EXERCISED IN THE HANDLING OF ANY INFORMATION FROM THIS SOURCE AND NO ACTION TAKEN WHICH COULD CONCEIVABLY JEOPARDIZE THE SECURITY OF THE SOURCE.

b7D

ANY COMMUNICATION PREPARED FOR DISSEMINATION OUTSIDE THE BUREAU SHOULD CHARACTERIZE [redacted] AS HAVING PROVIDED RELIABLE INFORMATION IN THE PAST. IN THE EVENT INFORMATION IS TO BE DISSEMINATED, EXTREME CAUTION MUST BE EXERCISED IN ITS REPORTING. CLASSIFICATION SHOULD BE ~~"TOP SECRET"~~ GROUP 1.

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~~SECRET~~



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

New York, New York

August 2, 1972

In Reply, Please Refer to
File No.

[REDACTED]
Goldfinch

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[REDACTED]
[REDACTED]
[REDACTED] was last in the United States during the period of
January 20, 1965 through July 16, 1968, during which time
[REDACTED] Soviet Mission to
the United Nations (SMUN), 136 East 67th Street, New York,
New York.

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Based upon available information and/or
investigation, [REDACTED]
[REDACTED]
[REDACTED]

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It is requested that Goldfinch be queried concerning
his knowledge of [REDACTED] particularly regarding the service
with which [REDACTED] may have been affiliated, and any infor-
mation concerning possible intelligence assignments prior to
and subsequent to his tenure in the United States.

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[REDACTED] was physically described as being 5 feet
10 inches in height, 150-160 pounds in weight, medium build,
brown hair receding at the temples, with grey eyes.

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Two photographs of [REDACTED] are enclosed.

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~~SECRET~~

~~GROUP I~~

~~Excluded from automatic
downgrading and
declassification.~~

This document contains neither recommendations nor conclusions
of the FBI. It is the property of the FBI and is loaned to your
agency; it and its contents are not to be distributed outside
your agency.

- 1* -

105-216642-

ENCLOSURE

~~SECRET~~

1 - Mr. Lee

February 25, 1972

16408

RE: OLEG A. LYALIN - GOLDFINCH

Reference is made to your memorandum dated January 26, 1972, entitled "Some Problems of Ensuring Counterintelligence Requirements in Baltic Ports."

There is attached one copy of a memorandum entitled "Goldfinch" dated February 9, 1972, which sets out some suggested lines of interrogation which you may desire to utilize in connection with any questioning of Lyalin on this matter which you may decide to conduct.

Enclosure

sent by R/S 0-7, 2-28-72
1 - London (Enclosure) (1 copy of memorandum dated 2/9/72)
Delivered to Washington Representative of on 2-29-72
by 42

REC-139105-216642

1

JPL:tdp (7)

1 - Foreign Liaison Desk

NOTE:

Lyalin is the Soviet defector who defected in England in 10/71. The British furnished us with a paper which Lyalin himself had prepared concerning his experiences with the KGB in the Baltic area. WFO has reviewed this paper and set forth some suggested questions to be asked of Lyalin in the event the British reinterviewed him on this matter. This is classified "~~SECRET~~" since the memorandum furnished by the British was so classified.

~~SECRET~~

60 MAR 6 1972

66 MAR 2 - 1972

b7D

RECORDED COPY FILED IN

MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (105-216642)

DATE: 2/9/72

FROM : SAC, WFO (105-106153) (RUC)

SUBJECT: OLEG A. LYALIN
ESP - R

ReBu routing slip, 2/4/72 attaching [] memo,
1/26/72 enclosing document prepared by GOLDFINCH captioned
"SOME PROBLEMS OF ENSURING COUNTERINTELLIGENCE REQUIREMENTS
IN BALTIC PORTS."

The [] memo requests any questions which might
clarify or amplify the document prepared by GOLDFINCH.

Enclosed are 5 copies for Bureau and 1 for informa-
tion of New York of blind memo captioned "GOLDFINCH" contain-
ing suggested questions for []

The memo is classified "~~Secret~~" since it contains
information from GOLDFINCH document so classified. It is
requested that the Bureau disseminate a copy of the memo to
[]

- 2 - Bureau (Enc. 5)
- 1 - New York (Enc. 1) (Info)
- 1 - WFO

JPW:jw
(4)



EX-104

REC-2

105-216642-42

16 FEB 1972

ESPIONAGE



February 9, 1972

~~SECRET~~

GOLDFINCH

Reference is made to memorandum prepared by GOLDFINCH captioned "Some Problems of Ensuring Counterintelligence Requirements in Baltic Ports."

Set forth hereinafter are questions prompted by captioned memorandum. For brevity, the questions are keyed by page and paragraph number to referenced memorandum.

Page 9, Paragraph 4: Organizational Structure of Lithuanian KGB (Soviet Committee of State Security)

Is there some liaison unit coordinating the work of the 1st Department, Lithuanian KGB and First Chief Directorate (FCD), Moscow, and of the 2nd Directorate, Lithuanian KGB and the Second Chief Directorate (SCD), Moscow? For example, is there a FCD, KGB liaison officer stationed in the 1st Department, Lithuanian KGB and a SCD, KGB liaison officer stationed in the 2nd Directorate, Lithuanian KGB, advising or supervising the work of the Lithuanian KGB in intelligence and counterintelligence matters? Also, is there some Lithuanian KGB liaison officer or officers stationed at KGB Headquarters, Moscow to coordinate the work of the Lithuanian KGB and the FCD and SCD, KGB?

1st Department, 2nd Directorate, Lithuanian KGB

In its counterintelligence work against foreign tourists visiting Lithuania, can the Lithuanian KGB make recruitment approaches to German tourists without obtaining the permission of and/or assistance of the SCD, KGB? If so, can they make similar recruitment approaches, without coordinating with FCD or SCD, KGB, of tourists from other countries, such as the United States or United Kingdom?

1st Department, Lithuanian KGB

In its operations to look for possible candidates for Illegal agents, does the 1st Department receive any :

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105-216642-42

ENCLOSURE

~~SECRET~~

GOLDFINCH

direction from the Illegal (or Special) Directorate, FCD, KGB? Is there an Illegal Directorate advisor or liaison officer assigned to the 1st Department, Lithuanian KGB to coordinate or supervise such work? Has source heard of instances in which Lithuanians were recruited as Illegal agents? If so, were they targeted against Germany or against other countries, such as Canada, United States, Scandinavia, Latin America, Israel? Was the 1st Department interested primarily in Lithuanians who had been born abroad and later returned as children to Lithuania with their families, so there would be no problems involving documentation? When selected as candidates for Illegal agents, were they trained only in Lithuania, or were they subsequently sent to Moscow for additional training? If trained partly or completely in Lithuania, was the training a function of the Lithuanian KGB or of the Illegal Directorate, FCD, KGB? Was the training a matter of "individual preparation" or were the candidates trained initially in groups and later, after their dispatch assignments were determined, on the basis of "individual preparation"?

Page 10, Paragraph 4: 4th Department, 2nd Directorate, Lithuanian KGB

In connection with its work in attempting to penetrate hostile special services (foreign intelligence services), is the work of the 4th Department, 2nd Directorate, Lithuanian KGB, coordinated with the SCD, KGB and/or Service Number 2, FCD, KGB? If a foreign tourist visiting Lithuania is suspected of being connected with foreign intelligence, is he handled by the 1st Department or 4th Department, 2nd Directorate? If investigation suggests a Lithuanian agent or operative contact appears to be of interest to foreign intelligence, does the 4th Department ever "dangle" him before foreign intelligence for possible recruitment? If so, must such work be coordinated with the SCD, KGB? Has source heard of any instances in which a Lithuanian agent or operative contact of apparent interest to foreign intelligence was sent abroad in a "dangle" operation for possible "recruitment" by foreign intelligence? If so, was it necessary to coordinate this case with the FCD or SCD, KGB?

~~SECRET~~

~~SECRET~~

GOLDFINCH

5th Department, 2nd Directorate, Lithuanian KGB

In its counterintelligence coverage of educational institutions, does the 5th Department "spot" among students possible candidates for recruitment as Lithuanian KGB officers, prospective officers of the FCD or SCD, KGB, or Illegal Directorate, FCD, KGB? If not, are FCD and SCD officers sent from Moscow to interview prospective officer candidates?

In its counterintelligence coverage of theatres and other entertainment media, is the 5th Department required to investigate individuals applying to travel abroad with entertainment groups, and, if so, is this work coordinated with the FCD and/or SCD, KGB in Moscow? Are KGB security officers with Lithuanian groups traveling abroad selected from the Lithuanian KGB or from the SCD, KGB, Moscow? If selected from the Lithuanian KGB, what is the basis for such selection; i.e., is an officer selected because of meritorious services, because of language ability, length of service, or other factors? If the Lithuanian KGB opposes the travel of a Lithuanian abroad with a Soviet group, is their opposition sufficient to deny such travel, or must the SCD, KGB or the Central Committee make the final decision?

Does the 5th Department, 2nd Directorate, Lithuanian KGB work against Lithuanian or foreign correspondents in Lithuania? If so, what caliber of officer is selected for such work; i.e., an officer with considerable experience in counterintelligence work or one with demonstrated ability and trustworthiness? Is it a common practice for Lithuanian KGB officers to reward their journalist agents with news "scoops"? If a Lithuanian journalist who is a KGB agent is sent abroad, is his file transferred to the FCD, KGB?

Does the Lithuanian KGB ever assign officers as lecturers to appear at educational institutions, entertainment media, religious institutions, Soviet ministries, etc., to explain the counterintelligence functions of the KGB and solicit the cooperation of Lithuanian citizens?

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~~SECRET~~

GOLDFINCH

Page 15, Paragraph 19: Use of Lithuanian Agents for Penetration of German Groups Visiting West German Embassy, Moscow

How is this work coordinated with the SCD, KGB, Moscow? Is there a SCD liaison officer in the Lithuanian KGB, or is it necessary for Lithuanian KGB officers to travel periodically to Moscow to coordinate such work?

Page 15, Paragraph 23: Dispatch of Lithuanian Agents to visit Relatives in West Germany

Is the dispatch of Lithuanian agents to visit relatives in West Germany to perform such functions as penetration of West German Special Services, study of former Soviet citizens residing in West Germany, and penetration of emigre organizations there a function exclusively of the Lithuanian KGB, or is it coordinated with the FCD and SCD, KGB?

Numerous private visitors from Baltic countries have been visiting the United States recently to see relatives in various areas of the United States. What part does the Lithuanian KGB play in such visits? First, does the Lithuanian KGB investigate and/or interrogate applicants to visit relatives in the United States? Second, does the Lithuanian KGB encourage or direct the visit of its agents and operative contacts to the United States? If so, must such work be cleared by or coordinated with the SCD or FCD, KGB? Of the Lithuanians who travel to the United States to visit relatives, how many are interrogated by the Lithuanian KGB, or the KGB in Moscow, before such visits and after their return to Lithuania?

Has source heard of any instances in which a Lithuanian KGB agent was sent to the United States in the hope that he would be recruited by American Intelligence Services?

Is one of the functions of Lithuanian KGB agents traveling abroad to visit relatives to attempt to locate or identify Lithuanians believed to have been dispatched by foreign intelligence services into Lithuania?

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GOLDFINCH

Page 15, Paragraph 21 Dispatch of Lithuanian KGB agents during Exodus of German Nationals to West Germany

Were any of these agents ultimately sent from Germany to the United States or Canada as Illegal agents? If so, was it necessary that they first return to the Soviet Union for training? Does source know of any instances in which Soviets of Baltic origin were dispatched to Canada or the United States as Illegal agents or officers?

As a matter of general interest, how many female officers are assigned to the 1st Department and to the various departments of the 2nd Directorate of the Lithuanian KGB; i.e., is there at least one female officer in each department of the Lithuanian KGB? How are female KGB officers selected. Generally, were they former KGB agents? Is their primary basis for selection knowledge of foreign languages? When Lithuanian KGB officers without knowledge of foreign languages interview a recruitment target, are female interpreters used only when female targets are involved, and, if so, is the interpreter a KGB officer or agent?

If the Lithuanian KGB recruits tourist agents from West Germany or other countries handling tours going to Baltic areas, are these agents turned over to the FCD, KGB or are they handled only by the Lithuanian KGB when they visit the Soviet Union? Does the Lithuanian KGB have a section handling automobile tourists who might travel from Finland to Leningrad to the Baltic area? Is there any coordination of the work of the Baltic KGBs with the Leningrad KGB? Does the Lithuanian KGB ever send agents to Finland for work involving Finnish travel agents? Does the Lithuanian KGB ever send agents to Finland for work involving the penetration of American Intelligence Services?

Are Lithuanian KGB officers ever given the assignment of accompanying Soviet ships leaving Lithuania? If so, what are the functions of such KGB officers?

~~SECRET~~